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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

June 30, 1999

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of Supplement No. 2 to Security Agreement- Chattel Mortgage, a primary document as defined in the Board's Rules for the Recordation of Documents and the following secondary documents: two Bills of Sale and Assignment and Assumption Agreements, all dated as of June 30, 1999,

The enclosed document relates to the Security Agreement previously filed with the Board under Recordation Number 21335.

The names and addresses of the parties to the enclosed documents are:

Supplement No. 2 to Security Agreement

Debtor: Shippers First LLC  
980 Kelly Johnson Drive  
Las Vegas, Nevada 89119

Secured Party: The Industrial Bank of Japan Trust Company  
1251 Avenue of the Americas  
New York, New York 10020

*Kim Bertman*

#3562

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A description of the railroad equipment being DELETED from the Security Agreement is:

Eighty (80) railcars and leases set forth on Schedule A-1 attached to the Supplement.

A description of the railroad equipment being ADDED to the Security Agreement is:

Eight hundred and twenty-eight (828) railcars and leases set forth on Schedule A-2 to the Supplement.

With respect to the 80 railcars and leases being DELETED from the Security Agreement, the parties are:

Bill of Sale  
and  
Assignment and Assumption Agreement

Transferee/  
Assignee:

ACF Industries, Incorporated  
620 North Second Street  
St. Charles, MO 63301

Transferor/  
Assignor:

Shippers First LLC  
980 Kelly Johnson Drive  
Las Vegas, NV 89119

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With respect to the 828 railcars and leases being ADDED to the Security Agreement, the parties are:

Bill of Sale  
and  
Assignment and Assumption Agreement

Transferee/  
Assignee:

ACF Industries, Incorporated  
620 North Second Street  
St. Charles, MO 63301

Transferor/  
Assignor:

Shippers First LLC  
980 Kelly Johnson Drive  
Las Vegas, NV 89119

Also enclosed is a check in the amount of \$130.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

  
for Robert W. Alvord

RWA/bg  
Enclosures

ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of June 30, 1999, between SHIPPERS FIRST LLC, a Delaware limited liability company (the "Transferor"), and ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (the "Transferee"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Asset Transfer Agreement (as defined below).

**WHEREAS:** the Transferee and the Transferor have entered into an Asset Transfer Agreement dated as of the date hereof (the "Asset Transfer Agreement"), in connection with the sale of, among other things, the special purpose covered hopper and tank railcars described on Schedule 1 (the "Equipment"), subject to the Leases (as defined below), from the Transferor to the Transferee for consideration in the amount and on the terms and conditions provided in the Asset Transfer Agreement; and

**WHEREAS:** the parties now desire to carry out the intent and purpose of the Asset Transfer Agreement by, among other things, the parties' execution and delivery of this instrument evidencing the assignment by the Transferor of all of its rights, title and interest in and to the Leases to the extent they relate to the Equipment to the Transferee and the assumption by the Transferee of all of the Transferor's obligations under the Leases to the same extent.

**NOW, THEREFORE,** in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. For purposes of this Agreement, "Leases" means all current leases of any one or more railcars included in the Equipment and all other contracts for use of any one or more railcars included in the Equipment more specifically described on Schedule 1, including, without limitation, all extensions, renewals, supplements and modifications of any of the foregoing. If any of the Leases (including, without limitation, any master lease) shall include both Equipment and railcars not part of the Equipment, then such Leases shall be subject to this Agreement only to the extent they cover Equipment; and for purposes of this Agreement, the term Lease shall mean a lease (including without limitation, the provisions of any master lease) only insofar as such lease applies to Equipment subject to this Agreement.

2. Effective as of the date hereof, the Transferor hereby sells, transfers, assigns, conveys, grants and sets over to the Transferee, its successors and assigns forever, all of the Transferor's rights, title and interest as of such date in and to the Leases, as fully and entirely as the same would have been held and enjoyed by the Transferor as if this assignment had not been made.

3. Effective as of the date hereof, the Transferee accepts, assumes, takes over and succeeds to all of the Transferor's rights, title and interest as of such date in and to the Leases, and the Transferee hereby covenants and agrees to discharge, perform and comply with, and to be bound by, all the terms, conditions, provisions, obligations, covenants and duties of the Transferor under the Leases (but only to the extent it relates to the period from and after the date hereof), as if the Transferee were an original party thereto.

4. The Transferor hereby covenants and agrees that, at any time and from time to time after the date hereof, at the request and expense of the Transferee, the Transferor will promptly and duly execute and deliver, or cause to be executed and delivered, to the Transferee all such further instruments and take all such further action as may be reasonably requested by the Transferee to more effectively sell, transfer, assign, convey, grant and set over the Leases to the Transferee.

5. The Transferee hereby covenants and agrees that, at the request and expense of the Transferor, it will hereafter execute any further assumptions or instruments of transfer or conveyance as may be reasonably requested by the Transferor to assume the Leases or to release the Transferor and its affiliates from their obligations under or on account of the Leases so long as such release will not prejudice the Transferee's rights, title and interest in and to the Leases.

6. This instrument shall be binding upon the Transferee and the Transferor, their respective successors and assigns, for the use and purposes set forth and referred to herein, effective as of the date hereof.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

***IN WITNESS WHEREOF***, the parties hereto have caused this Assignment and Assumption Agreement to be executed in one or more counterparts by their duly authorized officers as of the date first above written.

**SHIPPERS FIRST LLC**

By: ACF Industries, Incorporated

By:




Name:

Title:

**ACF INDUSTRIES, INCORPORATED**

By:

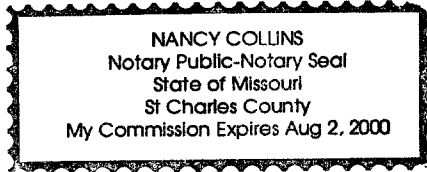


Name:

Title:

STATE OF Missouri )  
 ) ss.:  
COUNTY OF St. Charles )

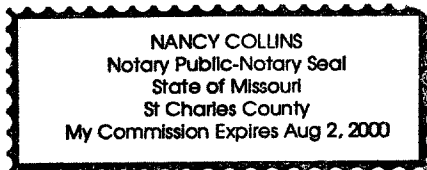
On this 24th day of June, 1999, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at Chesterfield and is Treasurer of ACF Industries, Incorporated, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Nancy Collins  
Notary Public

STATE OF Missouri )  
 ) ss.:  
COUNTY OF St. Charles )

On this 24 day of June, 1999, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at Chesterfield and is Treasurer of ACF Industries, Incorporated, the managing member of Shippers First LLC, that said instrument was signed on the date hereof on behalf of said limited liability company by authority of its managing member; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.



Nancy Collins  
Notary Public

## SCHEDULE 1

### DESCRIPTION OF EQUIPMENT

Each of the special purpose covered hopper and tank railcars with the reporting marks and road numbers and Association of American Railroads designation numbers set forth on Annex X hereto.

### DESCRIPTION OF LEASES

Each of the user leases or lease schedules or riders with the contract rider number and the named lessee set forth in Schedule A to the Loan Agreement insofar as they relate to the covered hopper and tank railcars with the car numbers set forth on Annex X hereto.



Rptg Mark	Car Number	AAR Desg
ACFX	45531	C614
ACFX	45534	C614
ACFX	45535	C614
ACFX	45544	C614
ACFX	45553	C614
ACFX	45749	C614
ACFX	45759	C614
ACFX	53716	C214
ACFX	53979	C214
ACFX	54244	C214
ACFX	54284	C214
ACFX	54360	C214
ACFX	54417	C214
ACFX	54437	C214
ACFX	54461	C214
ACFX	54469	C214
ACFX	54473	C214
ACFX	54474	C214
ACFX	54594	C214
ACFX	54705	C614
ACFX	54707	C614
ACFX	54719	C614
ACFX	55622	C214
ACFX	55628	C214
ACFX	55711	C214
ACFX	55781	C214
ACFX	55801	C214
ACFX	55896	C214
ACFX	55927	C214
ACFX	55994	C214
ACFX	55995	C214
ACFX	55997	C214
ACFX	56012	C214
ACFX	56015	C214
ACFX	56018	C214
ACFX	56035	C214
ACFX	56318	C214
ACFX	56331	C214
ACFX	56667	C614
ACFX	56820	C214
ACFX	59817	C414
ACFX	59821	C614
ACFX	59830	C614
ACFX	59831	C614
ACFX	59832	C614
ACFX	59838	C614
ACFX	59844	C614
ACFX	59845	C614
ACFX	59854	C614
ACFX	59863	C614

Rptg Mark	Car Number	AAR Desg
ACFX	59866	C614
ACFX	59870	C614
ACFX	59873	C614
ACFX	59875	C614
ACFX	82417	T105
ACFX	82601	T105
ACFX	82625	T105
ACFX	83030	T105
ACFX	83279	T105
ACFX	84130	T105
ACFX	88729	T105
ACFX	89042	T106
ACFX	95133	T108
ACFX	95955	T106
ACFX	96765	C214
ACFX	98747	C214
ACFX	98762	C214
ACFX	98766	C214
ACFX	98801	C214
ACFX	98806	C214
ACFX	98810	C214
ACFX	98816	C214
ACFX	98817	C214
ACFX	99906	C214
ACFX	99952	C214
ACFX	99954	C214
ACFX	99961	C214
ACFX	99963	C214
ACFX	99965	C214
ACFX	99966	C214

80 Cars